

NHS National Services Scotland Annual Procurement Report

2022-23

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Introduction

Executive summary

This report demonstrates the considerable work and progress within NHS National Services Scotland (NSS) in leveraging third party trade spend to support local supply chains and deliver social value while procuring goods and services whilst also ensuring value for money and regulatory compliance.

There are several good examples within this report highlighting how NSS, as an anchor institution, works with local suppliers to support local communities, particularly in relation to employment, education and training.

Purpose

This annual report provides transparency regarding NSS purchasing activities and allows us to document and publicise our performance and accomplishments when implementing our procurement strategy. This report allows us to demonstrate to our stakeholders how our third party spend is being used to achieve:

- security of supply
- better public services
- social, economic, and environmental outcomes in our area
- a range of local and national policies, for example, those relating to tackling inequality and meeting climate change obligations

In addition to our procurement strategy, this report serves as a key document to inform and engage our external and internal clients, strategic partners, suppliers, potential suppliers, and the public.

NHS National Services Scotland (NSS)

NSS provides national infrastructure services and solutions which are integral to the delivery of health and care services in Scotland – locally, regionally, and nationally.

Our national infrastructure is wide-ranging, covering clinical areas such as the safe supply of blood, tissues, and cells, through to non-clinical areas such as providing essential digital platforms and cyber security for health and care.

We're now working more widely across health and social care, ensuring the benefits and value we achieve through our national solutions can help many different areas of front-line services to ensure value for the people of Scotland and attainment of the National Performance Framework goals.

We aim to achieve this through four strategic objectives:

- Service Excellence
- Workforce Sustainability
- Financial Sustainability
- Climate Sustainability

Procurement in NSS

There are several teams within NSS who provide procurement services to the wider NHS Scotland such as National Procurement and NHS Scotland Assure.

This report focuses on the annual NSS corporate expenditure of £108M, managed by the NSS Procurement team.

Scottish National Blood Transfusion Service (SNBTS)

Included within the remit of the NSS Procurement team is the management of SNBTS stores facilities. This includes the distribution of critical blood products across NHS Scotland from the Jack Copland Centre in Edinburgh. Our main distribution centre at the Jack Copland Centre in Edinburgh holds 800 product lines and had a stock turnover of £41.3M in 2022-23. We also have regional stores in Dundee, Aberdeen, and Inverness.

Collaboration and partnership working

The NSS Procurement team provides procurement services to Public Health Scotland via a shared services agreement. NSS also works closely with other national and territorial boards on a range of collaborative projects.

Procurement strategy and policy

NSS third party trade spend is managed in-line with the [NSS Procurement Strategy](#), NSS Standing Financial Instructions (SFIs) and relevant procurement regulations and government guidance.

Summary of procurement activity

In Scope spend - £107,882,682

SME spend - £54,217,295

SME spend - 50%

Suppliers - 634

Average spend per supplier - £170,161

Supported business spend - £943,729

Transactions - 21,149

Cash releasing efficiency savings secured - £385,847

Cost Pressure - £443,958

Cost avoidances secured - £1,127,347

Government Procurement Card spend - £78,992

Payment performance to 10 days (invoice received date) - 82%

Sustainability benefits secured - 6

Regulated procurements - 36

Value of regulated procurements - £21,278,407

In-scope suppliers paying real living wage - 100%

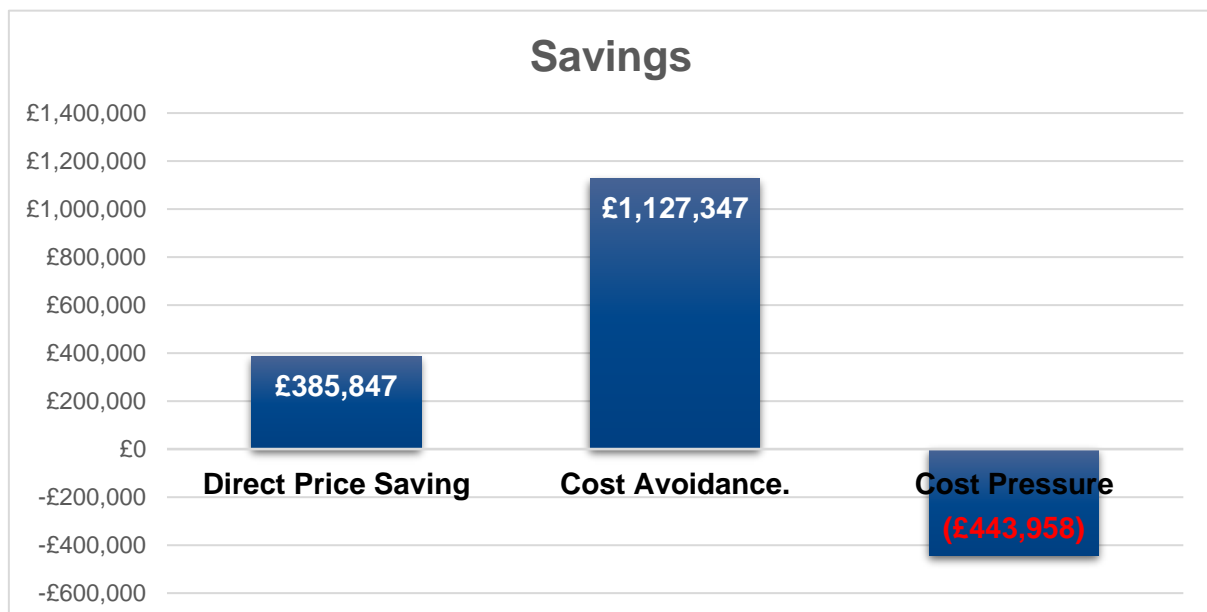
Key achievements and performance – financial sustainability

Financial savings

Key objectives of the procurement function are to support the NSS Financial Sustainability Strategy and ensuring value for money for Scottish taxpayers. Throughout the reporting year we faced challenging market conditions, characterised by high inflation levels and increased energy costs resulting from the war in Ukraine, global supply chain issues and labour shortages. These factors exerted significant cost pressures, amounting to a net -£58,111 cost pressure for 2022-23.

However, despite these challenges our procurement team managed to achieve a cost avoidance of £1.1M. This substantial saving was the result of effective supplier engagement and the implementation of competitive tendering processes.

For example, we reduced costs and secured financial savings through the implementation of strategic sourcing processes and re-evaluating our procurement strategies. This resulted in cost avoidances in various areas, including primary blood group analysers (£586k) and via reduced energy costs relating to mechanical handling equipment, resulting in a cost avoidance of £167k.



The NSS Procurement team proactively addressed the impact of inflation and increased energy costs by closely monitoring the market, engaging with suppliers, and exploring alternative solutions. By leveraging our commercial expertise and seeking competitive bids, we successfully mitigated the full financial impact of these external factors.

These achievements highlight the dedication and strategic approach of our procurement team in driving cost efficiencies and delivering value for money. We remain committed to continuous improvement and proactive engagement with suppliers to navigate evolving market conditions and optimise our procurement processes.

Cost and Commercial Steering Group

To maximise the value derived from NSS' third-party spend and contribute to the organisation's core budget and overall financial performance, NSS established a Cost and Commercial Steering Group (CCSG). This group comprises senior-level representatives from across the organisation and is chaired by the Director of Finance. The primary purpose of the CCSG is to ensure compliance with Standing Financial Instructions (SFIs) and procurement legislation, while also focusing on effective contract and supplier management and cost optimisation.

The CCSG consists of representatives from our directorates and corporate support functions, including Procurement and Management Accounting teams. They collaborate closely to identify opportunities and drive value through regular review meetings to help control costs and identify efficiencies relating to our third-party spend.

During the FY year, the CCSG accomplished notable achievements, including:

Document storage requirements: The CCSG successfully achieved a cash releasing efficiency saving of £40k by reviewing our document storage requirements.

Hybrid mail implementation: Another significant accomplishment was reaching full implementation of hybrid mail across the NSS in 2023, resulting in a substantial cost saving of £675k since 2020. By adopting this efficient mailing solution, we're able to optimise our postage expenses and enhance the overall effectiveness of our physical mail processes.

Compliance

The NSS Procurement team diligently reviews all purchase orders exceeding £10k to ensure compliance with regulations and our Standing Financial Instructions (SFIs). Throughout the reporting period, the team meticulously checked and approved over 1,708 purchase orders, covering expenditure from across all NSS services.

During this period, we remained committed to enhancing the quality of data included in purchase orders. As a result, we successfully increased the percentage of purchase orders containing a valid contract reference from 84% to 89% compared to the previous year. This notable improvement, surpassing our benchmark of 54% in 2020-21, significantly contributes to our ability to track expenditure and identify any areas that may not align with our procurement strategy.

To support the NSS Financial Sustainability Strategy, we placed strong emphasis on bolstering accountability and scrutiny of third-party spend. Throughout the reporting period, contracts worth £383k, which were previously awarded via our Sole Source Justification process, underwent open competition through tendering. This approach not only enhanced opportunities for suppliers, including SMEs, to collaborate with NSS but also elevated the level of governance and scrutiny surrounding these contract awards, ultimately ensuring best value for NSS.

Supplier management

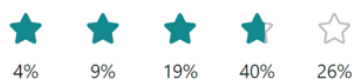
NSS Procurement team employ a Balanced Scorecard (BSC) approach to effectively manage our suppliers. This strategic framework allows us to assess supplier performance based on multiple dimensions, ensuring a comprehensive evaluation that goes beyond just cost considerations. By utilising the BSC approach, we can measure supplier performance across various key performance areas that align with our organisational goals and objectives such as quality, service, and sustainability.

This holistic assessment provides a more comprehensive and balanced view of supplier performance, allowing us to make informed decisions and cultivate strong and mutually beneficial relationships with our suppliers.

During the reporting year 75% of our tier 1 and 2 suppliers' performance was measured using the BSC approach with average scores for suppliers during 2022-23 as follows:

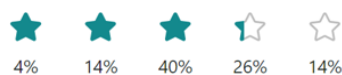
Service

3.7



Cost

3.3



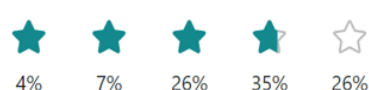
Quality

3.3



Sustainability

3.7



Although the results show that, on the whole, supplier performance is at an acceptable level, further work is needed to fully grasp the significance of the findings and determine how they can be utilised to enhance performance.

Prompt payment of suppliers

At NSS, we prioritise prompt payment to our suppliers. We've implemented a clause in our standard terms and conditions that clearly states our commitment to paying undisputed invoices within 30 days from the date of receipt. However, we work to an internal target of 10-days. In the fiscal year ending on March 31, 2023, NSS successfully paid 82% of suppliers' invoices within this timeframe. The average number of days taken to pay valid invoices throughout that period was 8 days.

To further ensure that timely payment practices extend throughout the entire supply chain, we have also included a clause in our standard terms and conditions stipulating that any sub-contracted work must incorporate a provision mandating payment to the sub-contractor within 30 days of receiving a valid invoice.

Whole life costing

For NSS capital requirements we have made it a priority to incorporate whole life costing into all relevant procurement exercises. Whole life costing involves considering

the complete cost of a product or service from inception to disposal, encompassing not only the purchase cost but also the operation, ownership, and disposal expenses.

By adopting this approach, we can make informed decisions that consider the long-term financial implications associated with the entire lifecycle of the procured assets. This ensures we assess the true cost and value of a product or service, enabling us to make strategic choices that align with our financial goals and sustainability objectives.

Buy alternatives

To proactively address demand reduction and its subsequent impact on third-party spend and our carbon footprint, we have actively collaborated with colleagues from across NSS. Our aim has been to explore alternatives to purchasing goods or services wherever possible. For instance, we have focused on maximising the utilisation of our existing IT infrastructure and evaluating the feasibility of repairing capital assets to extend their lifespan.

By adopting this approach, we seek to minimise unnecessary expenditures while also promoting sustainability practices. This not only helps us achieve cost savings but also reduces our environmental impact by reducing waste and promoting resource efficiency.

Key achievements and performance – sustainable procurement

NSS - an anchor institution

NSS serves as an anchor institution, embodying the characteristics of large, locally rooted organisations with a substantial presence in their communities. As an anchor institution, NSS fulfils various crucial roles, including employing a significant workforce, making substantial financial investments, owning and managing land and assets, and delivering essential services. This substantial presence contributes significantly to the local communities and economies in multiple areas across central Scotland, notably in the vicinity of our distribution centres located in Larkhall and Holytown.

This report highlights the pivotal role that procurement plays in supporting NSS as an anchor institution.

General policy

As outlined in our Procurement Strategy, NSS actively utilises the following Scottish Government recommended tools to achieve our sustainability objectives. By incorporating these tools and adhering to the statutory guidance, we have successfully implemented the community benefits outlined in this section.

- Scottish Public Procurement Prioritisation Tool
- The Scottish Flexible Framework
- The Sustainability Test
- Life cycle impact mapping

These tools have enabled us to prioritise community benefits in our procurement processes, assess sustainability considerations, map out the life cycle impacts of our procurements, and align with the Scottish Flexible Framework.

Benefits secured during the reporting period

Throughout the year, we engaged in tender exercises, contract extensions, and supplier management activities that aimed to secure benefits through our contracted supply base. Benefits included:

Community activity

- The winning bidder for our Service Audit contract committed to volunteering ten days of staff time to an Edinburgh youth project

Employment

- Four jobs within a supported business directly linked to NSS contract for GP Records Scanning with all staff paid the Scottish Real Living wage

Supporting education, learning and schools

- As part of our internal audit contract award a supplier agreed to recruit at least one new apprentice during the life of the contract and provide work experience placements
- Our internal audit contract supplier will also volunteers 6 days of staff time to partner with an Edinburgh primary school to support students with maths and reading skills

Economic

- We awarded contracts to nine suppliers who are certified Real Living wage employers

Supported businesses

- £981k 4-year contract awarded to a supported business for GP Records Scanning

Environmental

- Contract for Warehouse Mechanical Handling Equipment specified more environmentally friendly lithium-ion batteries in place of lead acid which will significantly reduce energy consumption across our National Distribution Service sites

- Our courier contract was awarded to a carbon neutral certified supplier
- We secured funding to transition our managed transport contract to hydrotreated vegetable oil fuel which will reduce CO2 emissions by up to 90%

Small and Medium Enterprises (SMEs)

In the fiscal year 2022/23, we remained committed to promoting access to our contracting opportunities for Small and Medium Enterprises (SMEs). We took proactive steps to minimise barriers that could impede their participation in our procurement processes. These measures encompassed breaking down larger contracts into smaller lots where feasible, ensuring that financial thresholds and other short-listing criteria were equitable and free from discrimination, while upholding equality principles throughout all stages of our procurement processes.

As a result of these initiatives, during the reporting period, approximately 50% of our trade spend was allocated to SMEs.

Local supply chains

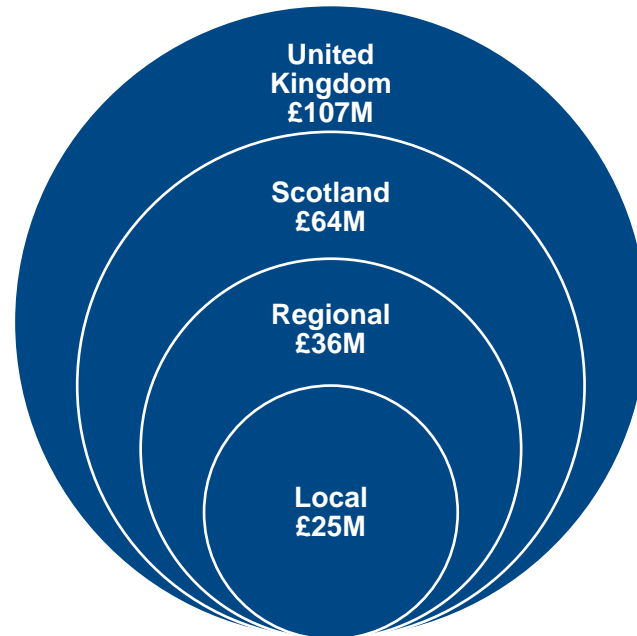
Procurement plays a vital role in community wealth building by maximising local spend. By prioritising purchases from local businesses, organisations can stimulate economic circulation within the community, retaining wealth and creating job opportunities. This approach supports the growth and sustainability of local businesses, fosters diversity among suppliers, strengthens community networks, reduces environmental impact, and generates tax revenue for public services. Overall, local spend promotes economic resilience, equity, and prosperity at the local level, making it a crucial strategy for building and retaining wealth within communities.

This is a key area of focus for NSS both in terms of maximising our own local expenditure and working with partners including Scottish Government and Public Health Scotland to develop approaches to increasing local progressive procurement through the Anchors network in NHS Scotland.

During the reporting year, we achieved success in engaging local suppliers for requirements under £50k. A significant accomplishment was that 82% of the suppliers invited to quote for these requirements were Scottish-owned businesses. This reflects

our commitment to supporting and nurturing local enterprises, contributing to the economic growth and prosperity of the communities we serve.

Below is an overview of the NSS spend profile by locality for the fiscal year 2022-23:



This breakdown provides insights into the allocation of NSS expenditure across different localities, illustrating our regional investment and support for local economies.

Fair Work First

In line with our commitment to promoting fair work practices, we ensured that 15 regulated procurement exercises conducted during the reporting year included a scored question specifically addressing the Fair Work First criteria. In cases where it was deemed disproportionate to include a scored question, the Fair Work First criteria were still incorporated into the tender documents. To emphasise the importance of fair work practices, the following statement was added:

"Those interested in bidding for public contracts are expected to demonstrate a commitment to progressively adopting Fair Work First criteria in their execution of the contract."

This statement serves as a clear directive, underscoring our expectation for suppliers to actively work towards incorporating fair work principles throughout their contract performance.

Community benefits

Community benefits play a crucial role in fulfilling the requirements of the Sustainable Procurement Duty by linking tangible benefits around improvements to the economic, social, and environmental wellbeing of the communities in which we operate to our contracts. To uphold our commitment to promoting community benefits, we took proactive measures during the reporting year.

In a total of 12 regulated procurement exercises, we included a scored question specifically addressing community benefits. This ensured that suppliers' proposals were evaluated based on their commitment and ability to deliver meaningful community benefits. In cases where including a scored question was not proportionate, community benefits were still incorporated into the tender documents with suppliers required to collaborate with NSS to identify and implement community benefits throughout the duration of the contract. To support this, we provided a link to our Community Benefits Gateway, serving as a valuable resource for suppliers to explore opportunities and initiatives related to community benefits.

By incorporating community benefits into our procurement processes, we strive to create sustainable, positive impacts within the communities we serve.

Supported businesses and third sector

According to procurement legislation, supported businesses are defined as businesses that primarily focus on the social and professional integration of disabled or disadvantaged individuals, with at least 30% of their employees falling into these categories. NSS is dedicated to fostering collaboration with supported businesses and third sector organisations whenever possible. We have consistently provided and will continue to offer opportunities for these entities to participate in public procurement processes.

During the fiscal year 2022/23, NSS spent £943,729 with supported businesses, further demonstrating our commitment to supporting their important work.

Equality

In April 2018, the Fairer Scotland Duty, which is Part 1 of the Equality Act 2010, was implemented in Scotland. This legislation places an obligation on public authorities to consider how they can address inequalities arising from socio-economic disadvantages in their strategic decision-making processes. As part of our compliance with this duty, we have actively prioritised equality throughout our tender processes in accordance with the Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

In the reporting year NSS demonstrated our commitment to the duty by diligently conducting an Equality Impact Assessment (EQIA) for all regulated procurement activities. This comprehensive approach has significantly contributed to the integration of equality considerations within our contracts.

Whistleblowing

The Independent National Whistleblowing Officer (INWO) service for the NHS in Scotland started in full on 1 April 2021. By when, any supplier providing an NHS service had to have procedures in place that enable their staff to access the National Whistleblowing Standards. The INWO will then be able to investigate complaints about concerns made through the local whistleblowing process.

During the reporting year we had to ensure that for all our suppliers on contracts where a patient service is delivered, and not just a product supply, have an appropriate whistleblowing process in place and that any whistleblowing incidents are reported on quarterly basis.

During the reporting year we achieved 100% compliance to the policy and no whistleblowing incidents were raised.

Health and safety

In line with the National Procurement Health Safety and Wellbeing Safety Strategy, we have initiated an Operational Risk Reduction (ORR) programme at the Jack Copland Centre (JCC) site. The aim of the ORR is to increase levels of co-ordination and cooperation in relation to the safe operation of workplace transport practices across the JCC site and to identify and implement additional measures to increase levels of operator and contractor safety.

The scope of the ORR is to cover the three main areas which contribute to workplace safety.

- Site safety, design, and activity
- Operator and contractor behaviours
- Operational co-ordination and co-operation

Strategy performance review

This section demonstrates how NSS Procurement team has contributed to the achievement of the procurement priorities defined within the 2020-25 NSS Procurement Strategy during the reporting year.

Priority - Balancing increasing service demand

- During the reporting period, we maximised our use of new Microsoft Office 365 (O365) applications. This initiative aimed to leverage the full potential of these tools to enhance our productivity, collaboration, and overall efficiency within the organisation. This included using O365 to digitally manage our strategic supplier management activity.
- To enhance our supplier management practices, we utilised a supplier segmentation tool to effectively identify and prioritise our strategic and bottleneck suppliers. This tool enabled us to allocate resources and attention where they were most needed, ensuring that our efforts were focused on maximising value and managing risks in our supplier relationships.

- We revised our Standing Financial Instructions (SFIs) to incorporate specific references to supplier management activities, aligning them with the Scottish Government Procurement Journey. This revision enabled us to establish clear guidelines and procedures for engaging and managing suppliers, ensuring consistency and compliance throughout the procurement process.
- To enable efficient and expedited procurement processes, we continued to maximise our use of Dynamic Purchasing Systems (DPS). These systems have proven to be highly effective in issuing multiple tenders within tight timeframes, thereby streamlining the procurement process, particularly for professional services.

One of the key advantages of the DPS is its ability to lower entry barriers, particularly benefiting Small and Medium Enterprises (SMEs). By reducing bureaucratic obstacles and administrative burdens, we have created a procurement platform that is well-suited for SMEs to participate and compete for contracts.

Priority – People

- Our team maintains a strong commitment to ongoing professional development. In the reporting year, we actively pursued skill enhancement by conducting a comprehensive skills self-assessment using the Scottish Government procurement development framework. This valuable tool allowed us to identify individual training needs and provided guidance to support our team members' professional growth and development.
- We hired a procurement and supply graduate demonstrating our commitment to investing in the development of emerging talent within the procurement field. By providing opportunities for recent graduates to apply their skills and gain practical experience, we are not only strengthening our team but also contributing to the growth and advancement of the procurement profession.
- Several members of our team are actively pursuing a professional qualification with the Chartered Institute of Procurement and Supply (CIPS).

Priority – Customers and stakeholders

- Customer satisfaction result 80% (NSS Target 70%)

Methodology: On a scale of 1 – 10, 'Overall how satisfied are you with X?'

- To ensure seamless collaboration and strategic alignment, our procurement business partners are strategically positioned within key areas of our organisation. Specifically, they are embedded within the facilities and estates, logistics, and Scottish National Blood Transfusion Service (SNBTS). This placement enables them to provide valuable strategic advice and offer their expertise in all commercial aspects related to procurement.

Priority – Value delivery

- We committed to obtaining value for money through best practice contracting and supplier management and through undertaking key strategic procurement activities and we delivered over £1.1M in cost avoidances in the reporting period.
- As well as delivering financial benefits we have also been able to leverage our third party spend to deliver benefits to the wider community as demonstrated in by the non-financial benefits detailed on page 13.

Summary of regulated procurement activity

During the reporting period, NSS engaged in a range of regulated procurement activities to meet our operational and strategic needs. These activities encompassed the procurement of goods, services, and works in compliance with applicable regulations and internal governance requirements.

	2020-21	2021-22	2022-23
Regulated contracts awarded	62	49	39
Value of regulated contracts awarded £	52M	62M	21M
NSS Expenditure managed by team £	73M	102M	107M
Savings £	0.9M	2.6M	1M

Key awards

Finance

The NSS procurement team led on a collaborative contract for the provision of Internal Audit Services for NSS and other National Health Boards including NHS National Education for Scotland (NES), NHS Healthcare Improvement Scotland (HIS), Scottish Ambulance Service (SAS) and Public Health Scotland (PHS). This collaborative approach achieved a cost of avoidance of £150k for participating boards.

Logistics

NSS awarded a seven-year contract for the provision of Mechanical Handling Equipment (MHE) for our National Distribution Service warehouses. This procurement exercise had a strong focus on enhancing health and safety measures while also reducing our environmental impact. By securing the latest MHE with advanced safety and efficiency features, we will provide our staff with a safer working environment and improved productivity. This contract has not only generated significant savings of £167k through reduced energy consumption but also reinforces our commitment to sustainability by reducing our CO2 emissions.

Scottish National Blood Transfusion Service

The Procurement team embedded within SNBTS work closely with stakeholders to ensure their quality and regulatory requirements are considered for all procurements. The team also work on a range of collaborative contracts with stakeholders across other blood services from England, Wales, Northern Ireland, Ireland, New Zealand, and Australia. This helps to harness buying power across these areas and allows the ability to share expertise.

- A wide range of critical and complex contracts were put in place during the reporting year to support SNBTS.
- This included the retender of contracts for Red Cell Serology, Anti-Sera Reagents and Blood Packs.
- New first-generation contracts were also established in the following areas: Clinical Apheresis, Primary Analysers and Dry Ice.

SNBTS Procurement also provided advice and guidance to SNBTS Capital team and assisted with contracts across several capital projects including - Digital PCR (dPCR) System, DNA Extractor, Flow Cytometry Equipment, Purchase of a Digital Solution to Control Access to Blood Fridges, Platelet Incubators/Agitators and Maintenance and Microbiological Safety Cabinets. This meant that these procurements were all conducted in line with the NSS Procurement Strategy.

Review of regulatory compliance

How we review our regulated procurements

NSS Procurement observes the 'procurement journey' methodology including application of the sustainable procurement tools for all regulated procurements where a tendering process is required. Route Two is used when below threshold level and Route Three for over threshold procurements. Call-off contracts are checked with the host organisation e.g., NSS National Procurement, Scottish Government and, where necessary, Crown Commercial Service or other UK NHS bodies for compliance with regulations and policy before we enact these. Our policy is that frameworks, 'let' by these bodies are the only valid route for NSS call-off awards. Around 30% (c.£30 million) of our contracts are call-offs from these sources based on our public contracts register.

We review all direct award contract awards through our sole source justification procedure. This procedure mandates any spend over £10,000 if not tendered or on a pre-let contract or framework agreement is accompanied by a sole source justification form.

The sole source justification form allows us to correctly categorise spend within the regulatory framework in other words, within the following categories.

- a. the requirement falls under the general exclusions and Specific Situations of the Public Contracts (Scotland) Regulations 2015 sections 4 or 7 through 18 or by being a service listed in Schedule 3 of the aforementioned regulations: examples being property rental, client legal representation and legal advice.
- b. public sector to public sector contracts under regulation 13(8) of the aforementioned regulations.
- c. specific situations apply as defined under regulation 33 of the aforementioned regulations – we publish a contract notice under these circumstances.
- d. research and development spend which benefits NHS Scotland and its patients.

Performance

We committed to advertising opportunities and placing award notices for our call-off requirements on Public Contracts Scotland to maintain our public contract register. We performed 39 regulated procurements over the period of which 36 of these complied with our strategy with 3 being non-compliant. This represents 99% of our regulated procurements by value over the period as compliant.

The three areas of non-compliance were as follows:

Supplier	Contract Description	Start date	End date	Value
Capgemini	Service Needs Analysis	20/02/2023	31/03/2023	£60,000
Avison Young	Property Advisor	09/10/2022	15/01/2023	£70,000
Head Resourcing	Temporary IT Role	01/04/2022	31/10/2022	£120,000

The majority of non-compliance issues were driven by urgent business requirements and the Procurement team has been working with colleagues across NSS to identify procurement compliant procurement solutions to support these going forward.

Due to our sole source justification process, we can easily identify those procurements that don't comply with our strategy, along with the reasons for this. These reasons are scrutinised by the Procurement team and where necessary, the NSS Director of Finance. If these are approved to proceed, we work with colleagues to plan any follow-on purchases through a regulated procurement process. During the reporting period we undertook 3 regulated procurements with a value of £383k procurements under open competition to replace agreements previously put in place via our sole source justification process.

We also now have a digital procurement presence across NSS which provides a simpler way for colleagues to interact with us and to access clear information on what contracts are available for use. Our contract register is highly accurate with our message clear we prize transparency in spend very highly and will publish non conformant spend within this report to reinforce our commitment to that transparency.

Risk management

Throughout the reporting year, we have actively collaborated with Counter Fraud Services (CFS) to proactively address and mitigate the risks associated with procurement fraud. As part of our commitment to maintaining the integrity of our procurement processes, we conduct fraud impact assessments for regulated procurements, focusing particularly on high-risk areas. Additionally, our team participated in a training session facilitated by the Competition and Markets Authority, equipping us with the knowledge and skills to identify and address irregularities during procurement exercises. By working closely with CFS and continuously enhancing our fraud prevention measures, we strive to ensure transparency, fairness, and adherence to ethical standards in all our procurement activities.

For all Route 2 and 3 procurement exercises we utilise the integrated risk management approach to identify any supply chain or project specific risks.

Report ownership and contact details

In line with the Procurement Reform Act and to ensure our annual procurement report details our performance against strategy, this report is subject to formal annual review and approval by the NSS Performance, Procurement and Finance Committee.

Report Owner: Kris Lindsay

Designation: NHS National Services Scotland Head of Procurement

Email: kris.lindsay@nhs.scot

Telephone: 0131 275 7454

Appendix 1 – Regulated procurements in period

TITLE	START DATE	END DATE	EXT END DATE	VALUE	SUPPLIER NAME
NSS222316 Warehouse Mechanical Handling	01/11/2023	01/11/2028	01/11/2032	£4,000,000	Toyota Material Handling
NSS222320 Blackline Expertise	01/07/2022	01/07/2023		£210,000	Continuate Digital Consulting Group
NSS222327 Financial Improvement Support Award	14/07/2022	14/01/2023	14/04/2023	£115,900	Assured Change Limited
NSS212204 Red Cell Serology	01/02/2023	01/02/2030	01/02/2033	£3,311,333	IBG Immucor Limited / Grifols Uk Ltd
NSS212243 Temperature Mapping Kits	01/04/2022	01/04/2027	01/04/2030	£88,200	Cambridge Life Sciences Limited
NSS222307 Primary Blood Grouping Analyser and Associated Consumables	03/04/2023	03/04/2028	03/04/2033	£840,000	Beckman Coulter Ltd
NSS222308 Glasgow Taxis	03/04/2023	03/04/2028	03/04/2031	£200,000	Spring Radio Cars Ltd T/A GlasGO Cars
NSS212247 Calibration Services	01/04/2022	01/04/2025	01/04/2028	£108,000	Fluke UK Ltd
NSS212240 SNBTS Donor Beds	01/04/2022	01/04/2026		£65,000	Strub UK Ltd
NSS222340 GP Practice Record Scanning	17/03/2023	17/03/2026		£980,000	Capture All
NSS222347 Document Storage	01/04/2023	01/04/2027	01/04/2029	£1,500,000	Oasis Group North Ltd
NSS222363 Franklin Covey Leadership Development Training	31/03/2023	30/06/2023		£112,500	FranklinCovey Europe Ltd
NSS222301 Lot 1 Internal Audit	01/04/2023	01/04/2026	01/04/2029	£2,105,766	KPMG
NSS222301 Lot 2 Service Audit	03/04/2023	03/04/2026	03/04/2029	£1,621,740	PricewaterhouseCoopers
NSS222317 Property Strategy and Office Proposal	16/05/2022	16/10/2022		£193,500	Avison Young (UK) Limited
NSS222318 NCIVAS Manufacturing Process Proof of Concept	01/06/2022	15/12/2022		£114,351	CPI Innovation Services Ltd
NSS222325 Implementing GS1 Standards in Healthcare NHS Scotland Scan4Safety	06/06/2022	06/03/2023	06/09/2023	£103,500	Aire Logic Limited

NSS222328 CHI and CH Data Migration	04/01/2023	04/08/2023		£94,500	Paul Tervit Limited
NSS222332 Specialist Sustainability Project Support	29/08/2022	29/08/2023	29/02/2024	£119,925	Ecocentric Ltd
NSS222350 CAFM Development Support	12/12/2022	12/04/2023	12/07/2023	£57,750	Nodus Solutions Ltd
NSS222365 Procurement Leadership Council Classic	02/01/2023	02/04/2024		£53,750	Gartner UK Ltd
NSS222370 Net App Servers	03/04/2023	03/04/2026	03/04/2030	£170,000	Proact IT UK Ltd
NSS222304 Delivery of Enable and Assist Desires	01/04/2022	01/07/2022	01/10/2022	£21,000	Risk Asset Consulting Limited
NSS222306 Net Zero Route Maps	01/07/2022	01/01/2023		£299,985	Jacobs
NSS222341 Data Migration	16/12/2022	16/09/2023	16/12/2023	£115,000	Cartvale Consulting Ltd
NSS222345 Business Analysis Services	01/11/2022	01/08/2023	01/11/2023	£81,500	Anserv Limited
NSS222349 NSD Capacity Planning Data Consultant	12/12/2022	12/12/2023	12/03/2024	£68,175	SCMG
NSS212242 Courier Services	01/07/2022	01/07/2024	01/07/2026	£260,000	Citysprint
NSS212224 Executive and Senior Management Search and Selection	14/04/2022	14/04/2024	14/04/2026	£1,500,000	Eden Scott Ltd
NSS212245 Workforce Specialist Services	01/04/2022	01/04/2023	01/04/2024	£1,603,717	Hurley Group
NSS212209e FM Security	01/04/2022	01/04/2023	01/04/2024	£565,065	Profile Security
SLT Assessment Centre Call-Off	31/03/2023	30/06/2023		£140,000	Eden Scott

Appendix 2 – Future regulated procurements

Project Name	Forecast Annual Spend	Expected Notice Publication Date	Expected Award Date	Expected Contract Start Date
Roll Cages	£50,000	01/12/2022	30/01/2023	01/03/2023
NSS222347 Document Storage	£371,500	Published	Awarded	31/03/2023
NDS Racking Repair and Maintenance	£50,000	31/12/2022	01/03/2023	31/03/2023
NSS222301 Lot 1 Internal Audit	£350,958	Published	Awarded	01/04/2023
NSS212245 Workforce Specialist Services	£1,603,717	Published	Awarded	01/04/2023
NSS222373 eRostering Technical Solution Resource	£143,100	Published	Awarded	15/05/2023
NP602016 Skilled Practitioners DPS	£250,000	Published	n/a DPS	31/05/2023
NSS181924 GP Record Transfer	£42,062	24/03/2023	23/05/2023	22/06/2023
NSS Cycle to Work Scheme	£24,983	Published	Awarded	01/08/2023
NSS232408 - Media Buying	£244,066	Published	Awarded	01/08/2023
NSS222371 Shrink Wrap and Packaging	£42,260	Published	02/08/2023	01/09/2023
NSS1819432 Practitioner Database for Lawyers	£57,534	Published	04/08/2023	03/09/2023
PPE Distribution to Public Sector Services	£400,000	Published	01/09/2023	01/10/2023
NSS232404 - Anti Sera for Patient and Donor Grouping	£40,000	Published	01/09/2023	01/10/2023
NSS222357 - Clinical Apheresis	£1,740,000	Published	Awarded	01/11/2023
NSS232406 - Plasma Blast Freezers Maintenance	TBC	TBC	TBC	01/11/2023
NDS Pallet Uplift	TBC	02/09/2023	01/11/2023	01/12/2023
NSS232405 - Platelet Additive Solution (PAS)	TBC	Published	Awarded	01/12/2023
NSS232407 - Media Monitoring	£30,000	02/09/2023	01/11/2023	01/12/2023
NSS212209e FM Security	£649,505	02/10/2023	01/12/2023	31/12/2023
NSS232403 - Irradiator Indication Labels	£33,800	02/12/2023	01/03/2024	31/03/2024

NSS202141 Delivery Services Blood Components, Samples, Tissues and Cells	£170,000	04/05/2024	02/08/2024	01/09/2024
NSS192001 Avaya Support and SIP Trunk	£142,974	03/09/2024	02/11/2024	02/12/2024
NSS212224 Executive and Senior Manager Search and Selection	£375,000	15/12/2025	15/03/2026	14/04/2026
NSS212242 Courier Services	£65,000	03/03/2026	01/06/2026	01/07/2026
NSS181942 Decontamination Equipment Testing	£54,846	07/02/2026	06/08/2026	05/09/2026



Appendix 3 – Reporting metrics

1. Organisation and report details	
a) Contracting Authority Name	NHS National Services Scotland
b) Period of the annual procurement report	22-23
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
2. Summary of Regulated Procurements Completed	
a) Total number of regulated contracts awarded within the report period	36
b) Total value of regulated contracts awarded within the report period	£21,278,407
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	39
i) how many of these unique suppliers are SMEs	20
ii) how many of these unique suppliers how many are Third sector bodies	0
3. Review of Regulated Procurements Compliance	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	33
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	3
4. Community Benefit Requirements Summary	
Use of Community Benefit Requirements in Procurement:	
a) Total Number of regulated contracts awarded with a value of £4 million or greater.	1
b) Total Number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	1

c) Total Number of regulated contracts awarded with a value of less than £4 million that contain Community Benefit Requirements	12
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Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

d) Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)	5
e) Number of Apprenticeships Filled by Priority Groups	1
f) Number of Work Placements for Priority Groups	0
g) Number of Qualifications Achieved Through Training by Priority Groups	Not recorded
h) Total Value of contracts sub-contracted to SMEs	Not recorded
i) Total Value of contracts sub-contracted to Social Enterprises	Not recorded
j) Total Value of contracts sub-contracted to Supported Businesses	Not recorded
k) Other community benefit(s) fulfilled	6

5. Fair Work and the real Living Wage

a) Number of regulated contracts awarded during the period that included a Fair Work First criterion.	15
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	12
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period.	9
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract during the period.	Not recorded

6. Payment performance

a) Number of valid invoices received during the reporting period.	3,786
b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)	88.56%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	36
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0

7. Supported Businesses Summary

a) Total number of regulated contracts awarded to supported businesses during the period	1
b) Total spend with supported businesses during the period covered by the report, including:	£943,729
i) spend within the reporting year on regulated contracts	£943,729
ii) spend within the reporting year on non-regulated contracts	0

8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.	£107,882,682
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£54,217,295
c) Total procurement spend with third sector bodies during the period covered by the report.	£2,500,000
d) Percentage of total procurement spend through collaborative contracts.	Approx. 30%
e) Total targeted cash savings for the period covered by the annual procurement report	£0

i) targeted cash savings for Cat A contracts	£0
ii) targeted cash savings for Cat B contracts	£0
iii) targeted cash savings for Cat C contracts	£0
f) Total delivered cash savings for the period covered by the annual procurement report	-£58,111
i) delivered cash savings for Cat A contracts	£0
ii) delivered cash savings for Cat B contracts	£0
iii) delivered cash savings for Cat C contracts	-£58,111
g) Total non-cash savings value for the period covered by the annual procurement report	£1,127,347
9. Future regulated procurements	
a) Total number of regulated procurements expected to commence in the next two financial years	25
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£6.9M